

## Message Text

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21

ACTION ARA-10

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 4079

INFO USDEL MTN GENEVA

DEPT OF TREASURY WASHDC

USDOC WASHDC

UNCLAS BUENOS AIRES 0134

E.O. 11652: N/A

TAGS: EGEN, EFIN, AR

SUBJ: GOA IMPLEMENT TOURIST FREE EXCHANGE MARKET

1. EFFECTIVE JAN 7, 1976 GOA IMPLEMENTED A FREE MARKET FOR TOURIST FORIGN EXCHANGE OPERATIONS. BY CENTRAL BANK CIRCULAR RC 586 GOA ALLOWS FINANCIAL INSTITUTIONS TO BUY AND SELL FOREIGN EXCHANGE, FOR THE PUPOSE OF TRAVEL AND TOURISM EXPENSES, AT FREE PRICES ESTABLISHED BY THE SELLERS AND BUYERS. NO RESTRICTIONS WERE ESTABLISH-

ED ON PURCHASES BY FINANCIAL INSTITUTIONS OF FOREIGN CURRENCY. SALES, MOREOVER, ARE RESTRICTED TO A) ARGENTINES WHO MUST PRESENT A TICKET TO TRAVEL ABROAD AND FILE AND APPLICATION, AND B) TO NON-RESIDENTS IF THEY CAN PROVE THEY HAVE PREVIOUSLY SOLD AN EQUAL SUM OF FOREIGN CURRENCY. AMOUNTS OF FOREIGN CURRENCY AN ARGENTINE TOURIST MAY BUY FOR FOREIGN TRAVEL WERE RAISED FROM A MAXIMUN AMOUNT OF \$175 TO \$1,000 FOR TRAVL TO NEIGHBORING COUNTRIES AND FROM \$350 TO \$3,000 FOR ALL OTHER COUNTRIES. WHEN PURCHASING FOREIGN EXCHANGE TO TRAVEL, THE SPECIAL 4 PESOS TOURIST TAX PER DOLLAR REMAINS IN EFFECT.

2. OTHER CENTRAL BANK CIRCULARS ESTABLISHED THAT BALANCES OF FOREIGN CURRENCY HELD BY BANKS DUE TO TOURIST OPERATIONS MUST BE SOLD AT THE FREE MARKET PRICE TO AUTHORIZED FOREIGN EXCHANGE DEALERS; MEANWHILE THE BALANCES OF

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FOREIGN EXCHANGE HELD BY AUTHORIZED DEALERS MAY BE

USED TO BUY CENTRAL BANK ARGENTINE EXTERNAL BONDS.  
CENTRAL BANK HAS DESIGNATED \$50 MILLION OF EXTERNAL  
BONDS FOR THIS PURPOSE. THESE EXTERNAL BONDS ARE  
PART OF THE \$200 MILLION SUBSCRIPTION RECENTLY ISSUED  
BY CENTRAL BANK.

3. QUOTATION OF THE TOURIST RATE FOR FIRST TWO DAYS  
OF THE MARKET'S OPERATION WAS: BUYING 135 AND  
SELLING 140. PREVIOUS TO THE IMPLEMENTATION OF THE  
FREE MARKET THE TOURIST RATE WAS 86.40 PESOS PER DOLLAR.  
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## Message Attributes

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**Disposition Date:** 01 JAN 1960  
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